

Message Text

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53

ACTION EUR-12

INFO OCT-01 ARA-06 IO-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 COME-00 EB-07 LAB-04 SIL-01 /087 W

----- 127887

R 160934Z OCT 75

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 9259

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY MEXICO CITY

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

USMISSION GENEVA

C O N F I D E N T I A L HELSINKI 2253

E.O. 11652: GDS

TAGS: ELAB, PINT, SW, FI, GW

SUBJECT: METALWORKERS ELECTIONS: EFFECTS OF SMUGGLING AFFAIR

REF: (A) HELSINKI 2203 (B) STOCKHOLM 5126 (C) HELSINKI 2207

(D) STOCKHOLM 5135 (E) HELSINKI 2215 (F) STOCKHOLM 5173

BEGIN SUMMARY: THE EXPOSURE OF THE FINNISH SOCIAL DEMOCRATIC

PARTY'S (SDP'S) FINANCIAL ASSISTANCE FROM ABROAD CONTINUES

TO BE A MAJOR ISSUE IN THE NOVEMBER 2-4 ELECTIONS IN THE METAL-

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WORKERS' UNION. COMMUNISTS ARE PRESSING THEIR ADVANTAGE

VIGOROUSLY -- ESPECIALLY AT WORK PLACES. SOCIAL DEMOCRATIC LEADERSHIP SERIOUSLY WORRIED ABOUT OUTCOME OF ELECTIONS AND HAVE YET TO COME UP WITH EFFECTIVE COUNTERATTACK. COMMUNISTS COULD OVERPLAY THEIR HAND, HOWEVER, AND THEIR POLEMICS AND PUBLICITY COULD PROVOKE MORE LETHARGIC UNION MEMBERS TO VOTE FOR SOCIAL DEMOCRATS. END SUMMARY.

1. THE SMUGGLING AFFAIR IS THE NUMBER ONE TOPIC OF CONVERSATION IN FINLAND'S METAL WORKING INDUSTRY, OBSCURING THE BASIC ISSUE AS TO WHETHER COMMUNIST OR SOCIAL DEMOCRATIC UNION LEADERSHIP OFFERS BEST GUARANTEE OF WORKER'S INTERESTS. DESPITE CATEGORIC DENIALS OF CIA INVOLVEMENT AS SOURCE OF FUNDS BY FINNISH SOCDDEM LEADERSHIP, AS WELL AS BY SWEDEN'S PALME AND GERMANY'S BRANDT, FINNISH COMMUNISTS INVARIABLY MENTION CIA WHEN ADDRESSING THE ISSUE. COMMUNIST METALWORKERS ARE EVEN PASSING OUT BUTTONS READING "SDP-CIA".

2. COMMUNIST PRESS HAS REPORTED THE AFFAIR ASSIDUOUSLY ALTHOUGH REFRAINING FROM SENSATIONALIST APPROACH OF HELSINKI'S AFTERNOON TABLOID. ONE KANSAN UUTISET ARTICLE OCTOBER 12 LED OFF BY DESCRIBING IG-METALL CHAIRMAN LODERER AS HAVING IN COMMON WITH GEORGE MEANY "A PROFOUND HATRED OF COMMUNISM," AND GOES ON TO SAY THAT LODERER'S SOLIDARITY WITH CIA-SUPPORTED MEANY WILL SCARCELY HELP FINNISH METALWORKERS CHAIRMAN SULO PENTTILA TO ACHIEVE AN ELECTION VICTORY. IN ANOTHER ARTICLE THE SAME DATE KANSAN UUTISET LINKS IRVING BROWN'S RETURN TO EUROPE WITH INCREASED CIA ACTIVITY IN EUROPEAN LABOR AFFAIRS. LENGTHY ARTICLE TARS IG-METALL, SOARES' PORTUGUESE SOCIALISTS AND SWEDEN'S LO WITH CIA BRUSH AND RENEWS CHARGES OF CIA FINANCING OF FINNISH SAJ IN MID-1960S (SEE HELSINKI 2215). IN THIS LATTER CONNECTION KANSAN UUTISET NAMES FORMER EMBASSY HELSINKI SECOND SECRETARY HENRY KOSKI AS CONDUIT FOR CIA FUNDS. HELSINKI CORRESPONDENT FOR SWEDISH NEWSPAPER DAGENS NYHETAR NOTED IN DISPATCH PRINTED ON OCTOBER 14 THAT FACT KOSKI RECENTLY RETIRED IN FINLAND "HAD AROUSED SUSPICIONS, PARTICULARLY IN COMMUNIST CIRCLES, THAT CIA IS AGAIN PAYING GREATER ATTENTION TO FINLAND."

3. COMMUNISTS HAVE ALSO ATTACKED ON THIRD FRONT. LEADER OF FINNISH COMMUNIST PARTY'S (SKF'S) STALINIST FACTION, TAISTO
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SINISALO, HAS, TOGETHER WITH PARTY COLLEAGUE, MADE FORMAL QUESTION IN PARLIAMENT ON THE MATTER. SINISALO ASKS GOVERNMENT WHETHER IT PLANS TO INVESTIGATE THE USE OF THE MONEY AND PUBLISH THE RESULTS OF ITS INVESTIGATION. THIS, COMBINED WITH SWEDISH BANK'S DECISIONS TO DECLARE ITS INVESTIGATIONS SECRET, PROVIDES ADDITIONAL GRIST FOR COMMUNISTS' MIL.

4. FINNISH SOCIAL DEMOCRATS HAVE NOT YET COME UP WITH AN

EFFECTIVE COUNTERATTACK. UNLESS THEY CAN, SOME OBSERVERS FEAR METALWORKERS' UNION MAY SLIP INTO COMMUNIST HANDS WITH ALL THE POSSIBLE ADVERSE CONSEQUENCES THAT COULD ENTAIL FOR FINNISH POLITICAL AND ECONOMIC LIFE OUTLINED IN HELSINKI 2203. CHAIRMAN PENTTILA HAS TRIED TO BLUNT COMMUNIST CHARGES BY REMINDING HIS MEMBERS OF NORDIC SOCIAL DEMOCRATIC SOLIDARITY LAST YEAR ON BEHALF OF ONE FINNISH COMMUNIST IN 20 MEMBER DELEGATION WHO WAS REFUSED VISA TO UNITED STATES. SDP LEADERSHIP IS DEEPLY WORRIED ABOUT RESULTS OF ELECTIONS. PARTY SECRETARY SUNDQVIST TOLD LABOR ATTACHE ON OCTOBER 14 THAT HE WAS NOT CONVINCED BY OPTIMISTIC PREDICTIONS OF SOME SDP LEADERS IN METALWORKERS. THESE LEADERS BELIEVE CRUDENESS OF COMMUNIST ATTACKS AND DRAMATIZATION OF DANGER THAT UNION MIGHT SLIP INTO COMMUNISTS' HANDS WILL CONVINCE NORMALLY LETHARGIC VOTERS TO USE THE BALLOT AND VOTE SDP. COMMUNISTS MAY YET PROVE TO HAVE OVERPLAYED THEIR HAND BUT AT THE MOMENT THEIR CHANCES FOR VICTORY HAVE INCREASED.
HOUSTON

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